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July 30, 1963

Notes on meeting between N. S. Krushchev and Orville L. Freeman, 30 July 1963, 11:00 a.m. - 1:00 p.m. (From handwritten notes taken by Eugene Olson, FAS, John C. McDonald, FAS, and Dorothy Jacobson, SEC.)

The Secretary of Agriculture and members of his official party met with Chairman Krushchev in the Kremlin at 11:00 a.m. Secretary Freeman presented Chairman Krushchev with an Indian peace pipe made of stone from the Indian quarry at Pipestone, Minn., with the statement that he hoped this would be a symbol of lasting peace between the American people and the Russian people.

Among those present were: All Department of Agriculture members of the touring party; Mrs. Freeman; Anatoly Dobrynin, USSR Ambassador to the U.S.A.; Foy D. Kohler, U. S. Ambassador to the U.S.S.R.

KRUSCHEV opened the meeting by saying, "We are happy to greet you here as workers in a most peaceful field, because workers in agriculture give life to the people and the people are having a new life. This is an area that pleases the people, and we are glad for peaceful competition." He compared competition in agriculture with other competition and said "that victories in the field of agriculture never give death to the people, but only give good to the people and provide them the necessities of life". He went on: "We have had some success in agriculture, but respect the success of other people in agriculture, too.....the level of agricultural development in your country is higher than in ours. This is not the result of your political system, but the result of your riches. The bigger capital investment in agriculture. But now we are going to take this priority from you. (Take the first place from you.) We are going to take the priority from you, but not rob you. But this will not harm you. We know your secrets, and have known them for a long time, but we didn't have the possibilities. (capacity?). But now we have, and we are going to get them. Now we attack. We are going to sizeably increase the production of fertilizers and capital investment."

He continued, "now we have roughly 20 million tons of fertilizer". (This is an annual figure). "We think that by 1970 we shall have 100 million tons (per year). According to estimates, it will take us 5.8 billion rubles to achieve this goal. We have the money and during the next five years ahead we will invest it. If we need more, we will allocate more. I have already told Mr. Harriman about it.... Just to help you imagine the magnitudes of the goals, we are investing more than 19 billion rubles in agriculture this year. Next year, we are going to invest more than 21 billion rubles in agriculture.

"We want to place the Americans behind us," said Krushchev.

Freeman: "We welcome that contest. Peaceful production of food and fiber cannot help but be a good thing. I am sure that the Chairman will not consider me disrespectful if I do not agree with every statement he has made."

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"That's quite natural," Khrushchev said.

FREEMAN: "I will only say that we consider the institution of private property a very strong engine to stimulate productivity and I have noted that the Chairman has frequently referred to material incentives in Soviet agriculture. Certainly this is very important. We welcome that contest."

NEK: "That is correct. There is no use to quarrel about it." He continued, "You correctly said that we stressed material incentives. This only repeats what Lenin said, but only in a certain stage of socialism, this problem is a very important one. But we are entering a new era when we will use moral incentives, a new incentive. We believe in the near future that the moral qualities of people will play an increasing role (moral incentive will increase). A human being has a natural need for work, for labor."

FREEMAN: "I agree."

NEK: "We believe in these human qualities. We believe that people won't envy each other, and in the near future will work together. But this is getting to be a social-political topic for which we haven't time."

OLF: "Mr. Chairman, we have long been impressed with your knowledge and understanding of agriculture. But we have felt that the amount of capital the Soviet Union has invested in agriculture, as compared to industry, has not recognized the very great importance of agriculture. As we would say in the U. S., throughout the history of the world, there has been a tendency in agriculture to make the farmer low man on the totem pole. In your case, the news that you plan to increase capital investment and concentrate on fertilizers is good news to everyone interested in agriculture. But it has been our experience that it is much easier to produce fertilizers than to apply it and use it properly. It requires investment, education, patience and new cultural practices. And we are happy if we can be helpful in sharing experiences we might have had in this field."

NEK: "Thanks, I agree. It is not enough to have means, but it is important to know how to use them. We also have some experience, good farms, good experimental farms, research institutes. Besides we have world experience, and there are no secrets in these matters. We will have to teach the people. We have world experience at our disposal, especially U. S. A., Germany, Great Britain, Western Europe. As for the yields and application of mineral fertilizers, France and other European countries rank first."

OLF: "You are right. The amount depends on soil, water, climate. We saw many places where irrigation and mineral fertilizer hold great promise..."

NEK: Absolutely correct. We are working on this and intend to develop this further." Nodded head. "We are working on this." Adds: "Have you seen the Hungry Steppes? Have you seen the great scale of work in Central Asia?"

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OLF: "Yes, we saw some of it."

NSK: "We are making a canal in Turkmen. It will extend over 1300 kilometers and now we have completed more than 800 kilometers of the canal. We are crossing the Karakum Desert and now we have vessels coming through that desert area---not camels, real ships. The soils are excellent there. We have sun and climate equal to that in Egypt. We will raise long staple cotton there, and rice. Besides that, when we reach the Caspian Sea, we may irrigate 300,000 hectares of land for citrus-growing. No freezing there. That is our plan. Besides that, we are constructing a north Crimean canal. We are taking water from the Dniester River to the Crimea and we are (diverting) water to the Kerch area---more than 1,000 kilometers. And we are going to irrigate 100,000 hectares there. In that area, we will grow corn, rice and fruit. The soil is good and lots of sun, but not much water."

OLF: "Such areas bloom where you can bring in water. And the application of fertilizers with adequate water brings excellent results, as you know."

NSK: Right. In the areas of Uzbekistan and Tadzhikistan we have higher levels of agricultural works, and have traditionally had a developed agriculture in these areas, from ancient times. Sheep could live there only if they had water; they had to learn how to irrigate, or leave. (People, not sheep). Have you seen the cotton there?"

OLF: "Yes. We have seen Tashkent, cotton is very good there. We enjoyed their history. A very fascinating place. We tried to take on some culture with their agriculture." (Mentioned trip to Samarkand.) (Mentioned culture: In Orenburg, dances, in Krasnodar, Hamlet.)

NSK: "Krasnodar is our Iowa."

OLF: "We saw some very good wheat."

NSK: "Yes. Yields of 50 centners, or even up to 60 centners where fertilizers are used, of wheat."

Comment from Russian side of table: "That was in experimental areas."

OLF: "We didn't see any quite that good, but we saw some good wheat."

NSK: "On the average, we have over 25(?) centners per hectare. I am giving you the best. They say now give us the fertilizers we need and next year we will have 40 centners per hectare---and I believe them. But we do not have enough fertilizers now and are using them mainly for technical crops. If we get enough fertilizers, we will have 40 centner per hectare wheat, 350-400 centners per hectare sugar beets, and if they get fertilizers they will have 26 centners per hectare sunflowers. Our sunflowers are the best in the world. Did you meet Pustovoyt (sp?). I am sorry he is so old---80 years."

Dr. Byron Shaw, Director of Agricultural Research Service, USDA: "We visited and saw his work."

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MSK: "He is a walking wealth and a walking treasure."

OLF: "Is it your plan to produce fertilizer (ingredients) separately, and combine them later, or to produce them in granular form already mixed?"

K: "It is better in my opinion to produce them already mixed." He said this is the "More modern" way. OLF agreed, saying "we have also found it practical to have higher food nutrient content---" it is no use to ship binding materials long distances."

K: "Right. We have studied this and are using the experiences of the Americans. We are going to buy whole plants for fertilizer production from capitalist countries. But we will buy elsewhere if Americans do not have the common sense to trade with us."

OLF: "Now that the political situation is improving, I am sure that this area will improve."

K: "If Congress becomes more clever, and gives permission, we are ready to place orders and buy fertilizer (production) equipment in America. Some American Congressmen have lost their common sense and think Communism is cheating them if they sell us fertilizer (plants). But we are living quite well without American products."

OLF: "I have my problems too. We'd be glad to sell you some good poultry cheap." Freeman said U. S. poultry tasty and plentiful and cheap.

K: "Expressed admiration for this but said he did not want to deprive us of our pleasure in our poultry products. "We are making that production for ourselves."

OLF: "This is a new and great era. When I was a boy, chicken was a rare holiday treat. Today chicken is almost the cheapest kind of food Americans can buy. Very nutritious, and we can convert very close to 2 pounds of grain to one pound of poultry meat, and produce a three to four pound bird in approximately eight weeks. We sell very cheaply and, I repeat, we would be happy to sell you some."

K: "You have achieved great success in this, and I envy you. But still we won't buy. I think we may do it ourselves."

"Fertilizer factories, that is a different question. Even if America wants to trade with us, we may buy from Europe and Japan, because American prices are higher. I have discussed this with our people in foreign trade."

OLF: "I am not a specialist nor an engineer but will check into this upon my return to Washington."

K: "We have already bought many plants from Germany and Holland. I have just visited the Holland plant near Moscow where Dutch engineers are assembling this factory. This is a urea plant; it will produce both fertilizers and a source of feed. We produce a lot but not enough. We have already placed orders in Czechoslovakia, Poland and the German Democratic Republic for fertilizer equipment, according to our design."

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OLP: "Was this for machines or fertilizers?"

K: "Only for machines, according to our designs."

OLP: "We were pleased to observe American agricultural machines here at various places...and the engineering (exchanges) taking place. I think this is a very useful exchange of information."

K: "Agreed. We are buying specimen, and they are good machines. We find McCormick and John Deere are good quality machines. I saw these machines. When we visited the U. S., I was in the John Deere plant."

OLP: "I am interested in observing the effect of increasing prices available to collective farms. As Secretary of Agriculture I have fought hard to try to get better prices for American farmers, but the consumer does not always sympathize with that point of view."

K: "The consumers didn't notice it here. We increased the price for producers, but not for consumers, but only on some animal husbandry products to consumers: Only on products on which we had losses. (We did this) in order that they may have profit and in order to stimulate production."

OLP: "Now that collectives make more money, you ought to follow the good free enterprise system and buy more machinery."

K: "Yes."

OLP: "It would seem this would bring increased investment in agriculture in the Soviet Union. Then you will want more machines."

K: "We have quite a few machines but in some areas we are short of skilled machinists. In this respect, Americans have better."

OLP: "We would observe, Mr. Chairman, that the machines for grain crops, according to my associates who have been here before, are very much improved. But animal husbandry and particularly fruits and vegetables, have not made as much progress."

K: "That is correct. This is a weak point. We have to learn much from you in this and we will use your fundamental experience to learn from you in this field."

OLP: "In the U. S. A. there are fewer than eight million working the land. Here there are many more, and I am curious to know how long the Chairman thinks it will be before there will be a similar movement in the Soviet Union."

K: "I think we will have (a similar situation). I think that will depend on mineral fertilizers and machines. The more we have fertilizers and machinery, the less labor will stay in agriculture. I think after ten or fifteen years we will face

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the problem of decreasing our sown areas. Now the average yield of 10 or 11 centners wheat, barley (and other small grains); if we double this yield, and bring 20-centner corn up to 50, we'll face the problem of decreasing the sown areas."

OLF: "Sometimes that is tougher than producing more."

K: "Yes, we need fertilizers and capital investment, and your friend Garst tried to convince me of that. Now we have enough money. Now we are going to decrease money for rockets, we are fed up with rockets, we have enough rockets. We are going to (spend more money on) (divert this money to) agriculture."

OLF: "What will you do with the land you take out of cereals?"

K: "Let them wait. If the population increases, we may need them again."

OLF: "We saw some good grazing lands around Orenburg, but they are not used for that purpose."

K: "Right. We have much more in Kazakhstan, but we do not have enough water for watering cattle, and there we are now taking measures in these areas..." (Said working on it.)

OLF: "Will deep wells work in this area (Tube wells)?"

K: "We are going this way also but it takes a lot of money. You need money!"

OLF: "Today we are seeking to move land from grain to grazing. I expect you will do the same in years ahead."

Voronov, Prime Minister of RSFSR: "In Orenburg, we have got herefords and shorthorns. We bought 300 herefords from Garst and are keeping them there."

OLF: "The people in Orenburg still remember your visit, when you said you would stand up all the way to Moscow if you could see that kind of wheat. As an old political candidate for six times I particularly enjoyed shaking hands everywhere. People were very very cordial. They gave us a wonderful reception...farmers and workers..."

K: "Our people are very kind, hard working, and a peaceful people. They like to receive guests as brothers."

OLF: "I felt very much at home...the hard hands and weather beaten faces. They even looked like people in the U.S.A., especially from the farm."

K: "Americans and our people know that people cannot live without hard work. ...They are used to hard work."

OLF: "The recent agreement was met with enthusiastic response everywhere we went."

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K: "I think we achieved a very good agreement. A good first step for the people of the world. Of course, the agreement is a big morale improvement, but not (the decisive factor). It is a good first step; it is a very great event."

OLF: "We feel very pleased about the exchange of scientists for plant exploration. Particularly for going out for wild plants. There has recently been some problems about arrangements for such plant explorations. Much of our fruit---apples, pears---came from here originally....We think it will be helpful to both of us to have further explorations."

K: "I agree. We shall have to think it over. We have got good varieties of apples and pears. In Tashkent, we have famous men working on grapes. In this respect it is hard to compete with Tashkent. Did they give you some of their honeydew melons?"

OLF: "Yes."

K: "Nobody can compete with them in this. They grow some like this in the Ukraine, but it is certainly hard to beat these 3 republics. Not only due to the soil, but due to the climate, lots of sun and warmth."

OLF: "We carried some to Sochi but it was so hot we had to eat them fast."

K: "Sochi is a rest place."

OLF: "I got sunburned."

K: "You have to be careful. This sun cannot be played with."

K: "The Crimea has a better climate. It is drier. Sochi has higher humidity. In the Crimea it is only 40 per cent."

Dobrynin: "Mr. Freeman is accustomed to higher humidity in Washington."

OLF: "Mr. Chairman, I have felt that the exchange program is very important. But after making the trip here, much more important than I had previously thought. The exchange agreement will be negotiated again this fall. I am very hopeful and I am sure that the U. S. will be strong supporters of exchanges. We need more people from the U. S. to visit the Soviet Union, and more from the Soviet Union to visit the U. S. When people get together, their differences melt away."

K: "Of course, but you have a lot of mad people who do not understand the necessity of exchanges."

OLF: "I am convinced that there is great and widespread support. The people who make the loudest noises sometimes are way out of proportion to their importance. I am sure there is widespread support for exchanges in the U. S."

K: "Agreed...." (added something about agriculture setting the pace in exchanges.)

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OLF: "We are ahead in tourists--10 to 15,000. You have only sent a few hundred. We would like to have more come to the U. S."

K: "But you are still richer than we are. When we get richer, then more will come to the U.S. Money is needed. You have to decide whether to allocate money to tourists or to mineral fertilizers."

OLF: "I want you to know that you are very welcome. It is a good thing to have people meet together."

K: "We have some tourists, but still a limited number. When we are richer, they will increase. When we must decide on fertilizers or tourists, we decide for fertilizers. We think this is a great help (exchanges.). We have agricultural delegations and in the future we will agree to receive agricultural delegations. We have to learn from you."

OLF: "We learn from each other." K responded: "our (plant) breeding work is on a high level. We have good fruits, grain, sunflowers. We need exchange of technicians. You are ahead in the production of mineral fertilizers and your quality is better (in fertilizer). You have achieved greater concentrations and have more granulated nitrogen. You produce a lot of herbicides, but we produce very little. It gives you a better possibility to decrease your labor requirements on field crops. You have a very good feed industry. If Americans are willing to sell us some feed production plants, we are willing to buy them. Do you think your Congress is willing to digest this suggestion?"

OLF: "I do not think this will be a problem. There is no law against that; the problem is the problem of private patents."

K: "That is not a problem. The firms are willing if we will pay them. We only need the special licenses. The administration continues to say that it is a matter of law."

OLF said it is an administrative matter. K said again it is a matter of Congress. He said it is "difficult to understand a law (that does not permit trade)".

OLF: "Your laws confuse me too."

K: "This is only because you are illiterate in our political science. We will enroll you in the political classes and teach you the ABCs of communism. If you do not sell them to us, we will buy them from the Germans. Great Britain will also be happy to sell them to us. The Germans sent me a letter. One German about reported 2.5:1 feed-pork ratio in W. Germany and said it was "fagic" and going to investigate. Shaw, asked by Freeman, said this done on experimental but not commercial basis in U.S.A."

OLF: "We should investigate this too."

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K: "Notice you have written this down. We have already written."

OLF: "We saw a good hog operation at Kiev."

K: "We have good farms, but no such conversion figures---real magic. The Germans are not magicians but very practical and Americans are too. What I want is fertilizer plants, herbicide plants, and plants for mixed feeds. You have this very well organized. I think if you would sell to us we would buy them. I might better use Garst. Ministers know politics but Garst knows how to sell. I know from experience with my own ministers."

OLF: "I do not claim to be an engineer or a technician."

K: "But our minister knows the practical well. He knows how to grab a man by the ear and say 'you are not hoeing the right way'. Last year yields in his field of peas were better than 42 centners per hectare...and 30 centners per hectare of wheat, but it would have been even higher if he had used mineral fertilizers."

K introduced Voronov, premier of USSR, a mining engineer who "knows sheep raising." Voronov described visit to Australia. K said very useful V visit U.S., asked "will you give him a visa?" Freeman said sure he would be very welcome. K said wanted send V to U.S. to find out how U.S. produces cattle with 190 kilos of beef compared to 80 kilos in U.S.S.R. "We need to do the same". F said, "We will be happy to receive you."

OLF: "In dairying in the past five years have one million fewer cows and yet have increased production by ten billion pounds."

V: "Our average is 5,000 kg per cow." (3,000?)

OLF: Recalled hand-bound rye near Minsk, recalled doing same as a boy. "We will be glad to look into this matter of machinery. Is it your proposal to buy a number of machines, or only just one?"

K: "We want to buy entire plants. Several plants with complete equipment, and not one, but several. For example, we need about (translation garbled on amount or dollars' worth of nitrogen needed)."

OLF: "Frankly, we have noted with some concern that only a few machines or one of each kind have been bought."

K: "That was because we did not have enough money for two machines."

OLF: "Maybe we could sell you machines and poultry both."

"No...."

Voronov: "We want animals--Santa Gertrudis, Herefords."

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OLF: "I will personally look into this, perhaps we may be able to reach some agreements which would be helpful."

K: "I will be truthful. We are going to bargain. We have to spend money with reason (spend money wisely)."

OLF: "We call that Yankee horsetrading."

K: "We are for world prices. We have bought machinery from Japan, Italy, and I suggested to the ministry of foreign trade to contact these countries. We are going to look into their suggestions."

OLF: "Prices are set by private producers in the U.S. Not set by government."

K: "Just give them permission and we'll bargain with them. We have had some talks with DuPont and have already talked to some other firms."

OLF: "We will try to do something about the licensing and leave the horsetrading up to you."

K: "We are going to buy what we think is good for us."

OLF: "That is a sound principle."

K: "On the basis of that principle, we can have good relations. This year we bought in Great Britain four plants for the production of plastics...and this type of plant we also bought from Germany. And before that we bought two plants in Germany that are in operation. So you see we do not buy only one machine. And now we have talks with the Germans and Britain to buy some more machines. We are going to increase production of thirlin up to ?? yards. In _____ (Kust?) we have a plant in operation which we bought two years ago in Germany. Also larsen--another synthetic fabric."

OLF: "We did not observe your grain storage facilities. What are your plans for storage of reserve grains?"

K: "This year we do not have problems in this area. We are now intensively constructing big terminal elevators. In your country, the farmers keep small amounts of grain. If you are interested we can show you (big elevators). If you have better equipment, we will be ready to study and buy. But we are quite well satisfied with our own equipment."

OLF: "We now hold about one billion bushels of wheat as reserve. Do you contemplate anything like this?"

K: "After solving our fertilizer problems, we may keep one year's supply in reserve. This is necessary."

OLF: "We think that one year is a little more than necessary."

K: "I agree with you. My answer was only a rough estimate and taking into consideration the different parts of the country, we may have a better harvest (in some parts than in other). But very rarely do we have a bad harvest. We should have about 80 per cent of one year's supply."

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OLF: "How much wheat do you consume in one year?"

K: "I am not sure, but in poods about 1.5 billion poods yearly."

OLF: "We distribute about 500 million bushels a year to developing countries under the food for peace program. We feel it is useful also in developing them economically. We hope you will join us when your production is higher, when you get the fertilizer."

K: "We shall have such a capability. This fertilizer program will give us the opportunity to decrease the budget for production. When we have better yields, the cost per unit will be less, we will have much cheaper grain. And the additional cost will be only that for fertilizers, but these expenses are not very great."

OLF: "Do you anticipate heavy use of fertilizers in the new lands?"

K: "Yes. Of course. But first of all, where there is more rain. And in the new land area we have different rates (of precipitation), and when we reach the stage of decreasing our farm area, we may convert the land back to pasture. This is a direction for the future. We will have winter feed enough for the animals."

OLF: "This is sensible."

K: "Take the Kuban area, for instance. The yields were 25 centners per hectare and they're selling us 200 million poods...Byelorussia the same, can increase with fertilizer. Ukraine can produce 1.5 billion poods of grain (700 million now?), but they need fertilizer." (listed several areas). "Two years ago we decided to produce agriculturally more powerful tractors. We made 54-horsepower tractors. Now we're producing 75-horsepower, which are being introduced. Just completed testing a 220 HP tractor for the steppe and new land area. (made in Leningrad). Wanted to buy them in America but they refused and we designed our own. Its working speed will be 7 kilometers per hour. Now it is three. So with plowing, have several times increased our labor productivity.....Garst said to me he wanted us to sell one (new Kharkov type tractor) to him."

OLF: "Did he buy one?"

K: "We are testing it. We may sell him one...These are our plans, real plans. In dairying, we are introducing the carousel. They said you liked it. Or were they boasting? We have people who like to boast, you know. We have money on the table! (bangs table). We're going to invest about (20) 7 billion rubles in synthetics by the end of the seven-year plan."

OLF: "I wish you good luck. I like to see agriculture move ahead. I have felt that agriculture has been starved for investment in the past. I look forward to the contest. I am confident that American agriculture will continue to serve the people of the U.S. and the world as in the past. Competition is good for all of us. It will benefit us as well as you."

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K: "I wholly agree with you. Better to have a contest in wheat growing and beef than in atomic weapons. It was very good for you to come to see us."

OLP: "Thank you for giving us so much of your valuable time. We appreciate it and are grateful. All of the Soviet officials that accompanied us on our tour have been a joy to be with. They have worked hard. I recommend a vacation for them."

K: "We have not yet had our harvest. Agriculturalists can vacation only when the harvest is in."

Pleasantries and mutual good wishes.

(End)